

In the specification:

At page 1, please amend the paragraph at lines 21-25 as follows:

Several particular watermarking techniques have been developed. The reader is presumed to be familiar with the literature in this field. Particular techniques for embedding and detecting imperceptible watermarks in media signals are detailed in the assignee's [~~co-pending U.S. Application Serial No. 09/503,881 and~~] U.S. [Patent] Patents 5,862,260 and 6,614,914, which are hereby incorporated by reference.

At page 2, please add the following after line 16 and before the section entitled Detailed Description:

**Brief Description of the Drawing**

Fig. 1 is a diagram illustrating a watermark encoder method for halftone images.

At page 3, please amend the paragraph at lines 12-22 as follows:

In one method detailed below and illustrated in Fig. 1, a watermark encoder modulates the size of halftone primitives to encode a watermark signal. This method operates on a halftone image that is in the form of a collection of geometric primitives (e.g., clusters of black halftone dots). Another input is a watermark signal, which is represented as a multilevel per pixel image at some lower resolution than the resolution of the halftone dots in the halftone image. Elements in the watermark signal represent changes in luminance of the halftone image, and each correspond to a halftone primitive comprising a cluster of halftone dots. To embed the watermark in the halftone image, the watermark encoder toggles halftone dot values at the outer boundary of a primitive to effect the desired change in luminance of the corresponding multilevel pixel value in the watermark signal. It repeats this process for each element in the watermark signal.